

Project Title and Cod	le:								
LL-01 - Strategy and I	Planning								
Interview Title:									
Interview with (b)(3)	, (b)(6), (b)(7)(C)								
Interview Code:									
LL-01-									
Date/Time:									
October 19, 2015; 14:	00 - 16:30								
Location:									
(b)(3), (b)(6), (b)(7)(C)									
Purpose:									
To ascertain the histor	ry of reconstruction	efforts in Afgha	nistan, primar	ily du	ing the first	5 years of the war.			
Interviewees:		(Either list interviewees below, attach sign-in sheet to							
SIGAR Attendees:									
Candace Rondeaux: M	atthew.Sternenberg	PF							
Sourcing Conditions	(On the Record/On	ecord/On On Background - Must contact for quote,							
Recorded:	Yes	x		No					
Recording File Recor	rd Number (if recor	ded):							
Prepared By:		(Name, title and date)							
Matthew Sternenberg	er, Research Analyst								
Reviewed By:		(Name, title and date)							
Key Topics:									

- Early Years 9/11 to
- Phase Four Planning
- Jumpstarting the Political Process
- Accelerating Success Timeline
- **Budgetary Cycles and Planning**
- Nation Building and Mixed Messages
- Warlord Strategy and Working with
- Intelligence Agencies and Pakistan

- Building an Army
- 2006 Review
- Civilian-Military Divide
- **NSC Planning Function**
- Afghan Reach Back Group
- Foreign Assistance
- Private Sector Development
- Lessons Learned
- Follow-up

### Early Years - 9/11 to Joining DOD

## (b)(3), (b)(6), (b)(7)(C)

DC. I literally got a call on my cell phone from my wife that the attacks were taking place. We [myself and my board] were considering projects to fund the kind of work you see all around



funded work even in the 1990's on homeland security, on the theory that the enemies in the new period are going to use asymmetric forms of attack. The conversation at the board meeting, when it became clear it was a terrorist attack, went right to that question that proves our hypothesis that asymmetric forms of attack are what are likely to come in the future. Now we have to figure out how to respond and so forth. So it was kind of an analytical response because literally we are in a meeting talk about it literally as it happened. Yes, it was troubling, vindicating.

[Asymmetric attacks were going to be so pivotal because] we have dominated the upper and middle end of the conflict spectrum with all the major powers were either Russia, just came through the dissolution of the Soviet Union, their defense forces were in disarray. In the early 90's we destroyed the fourth largest land force in Iraq in a hundred hours. The Chinese were coming out of the Tiananmen Square unrest and even the big powers were in no condition to challenge us in the conventional and nuclear levels of conflict. Therefore, any opponent would have to find some other way at getting at us. It would be futile after Saddam was defeated at the conventional level with all the forces that he had, including some WMD at that time. To play at that the level, people would have to find other ways, whether it is terrorism, cyber, counter-space, things like that, that would level the playing field.

### (b)(3), (b)(6), (b)(7)(C)

there was thinking about

if one does modify the regime or topple the regime, you have to think about what comes after because all of this. The terrorist safe havens and the negative externalities coming out of Afghanistan were products of our not thinking about what comes next, during the Soviet-Afghan war. Those of us who spent a lot of time thinking about Afghanistan in the 1980's and 1990's saw that as an enormous mistake. We could have worked with the Afghans to create a stable post-Soviet situation and that would have precluded the rise of al-Qaeda and all of the other terrorist organizations that took safe haven in Afghanistan in the 1990s. So naturally thinking, if there is going to be regime change after 9/11, to our mind and those folks who lived the Afghanistan problem for a long time, it was second nature to think about what comes next.(b)(3). (b)(6). (b)(7)(C) only when the Afghans are defending and policing Afghanistan, will it not be at risk for being a safe haven. You can get there any number of ways, but you need to get there. That was

it seemed clear to me that people weren't fully facing up to that need to create an Afghan capacity that is allied with us, but that polices Afghan territory.

the probably a minority view right after 9/11.(b)(3), (b)(6), (b)(7)(C)

#### (b)(3), (b)(6), (b)(7)(C)

argument was] that you have achieved regime change and that is great and a big step forward and now you have to figure out how to enable our Afghan partners to establish the institutions that will allow them to secure their territory and keep the terrorists out. Obviously, a lot of them just went across the border to Pakistan and they would love nothing better than to return. (b)(3), (b)(7)(C)



It [our entry into Afghanistan] happened to fast that I would not have expected them to have Phase

(b)(3), (b)(	6), (t	(7)	I(C)
--------------	--------	-----	------

#### **Phase Four Planning**

IV [plan] on October 7th when the war begins. At one level, they were very forward leaning in that they did the work to do the Bonn process. That was very fast and you have to give Dobbins and Khalilzad and the folks involved in that big credit for being able to move so quickly and also the Afghans that they came to terms with each other - they came together to form the Interim Authority. In my understanding of it, and you will know better than I since you have looked at the documents, that the kinds of things you and I think about in terms of phase four, they were giving to UNAMA. That was sort of the policy decision, whether it was we didn't want to do it or we thought UNAMA would do it better, what have you, but I think that UNAMA was tasked with the institution building and the dividing up roles in the security sector and in other ways. My sense is that in the course of 2002, there is a sense that the multilateral pliase four activities on the civilian institution building is not going fast enough. UNAMA, I think did some things very well, but I don't think it was able to move very quickly on the whole array of institutions building that had to be done. God knows, anyone who is in Afghanistan in 2002 knows that, to say that they [UNAMA] was starting at zero would make it sound too easy. The country had been so destroyed and there was just nothing to begin with. The human capital situation was so dire and so I am not in any way criticizing UNAMA or their people, I think that in the course of 2002 there was greater recognition that if you wanted these institutions and to get building going, there would probably have to be a greater role by us, because at the end of the day, we are the only ones who have the capacity to act on the scale that was required. We have done it in South Korea, we have done it in Europe, and we have done it in Japan. As for any European country, the scale of their ability to act is very small (b)(3), (b)(6), (b)(7)(C)

We are just at a different scale. I think that the 2002 recognition, without being there, is setting the stage for doing more.

#### **Iumpstarting the Political Process**

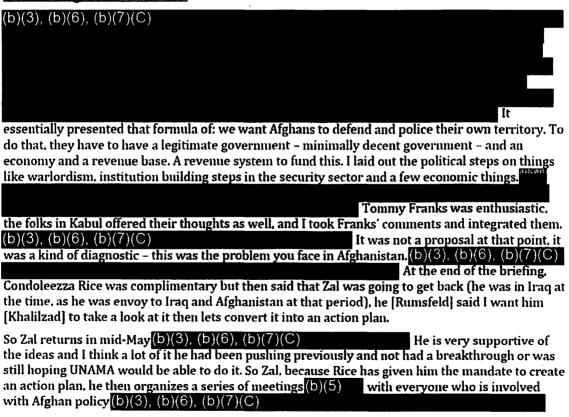
I think that he [Donald Rumsfeld] is a misunderstood figure, maybe sometimes he helps that because he was a little inconsistent on things over time. I think everyone was impressed with the political maturity of the Afghans in the Bonn process and the emergency Lova lirga. Once you see people making political compromises, sharing power, bringing people Ashraf Ghani into be Finance Minister, people started thinking we had more in Afghanistan to work with than we thought, After 9/11 people had the cliché view of Afghanistan of ungovernable, horrific place, never been ruled anyone, tribes, violence, all this kind of thing. They had no perception of the 1950s, 1960s or the pre-Soviet 1970s Afghanistan, which had a function government, institutions and a national army. If the cliché is what you think of Afghanistan, then you would be very reticent about thinking you could achieve much there.

As the Afghans showed some political maturity and bringing in people like Ghani and others who could actually do things in terms of institution building that started to evolve. Where I think



Secretary Rumsfeld came - he said that when he was against the state and nation building, he was against it in the sense of us being the preeminent and dominant force in doing all of these things for people. He was always supportive of programs that helped the Afghans do these things for themselves. Through the time I was involved, he was the biggest supporter of Afghans building Afghan institutions, with our support and our help, but not displacing them and doing it wholly for them...which is an American tendency. He is not all wrong about that concern because it is often easier to do stuff ourselves than to coach people along to do it, given the very low level of human capital after 25 years of war. Now was he always consistent that way? No, probably not, but my entire time I was there, he was the most supportive figure in that respect and put DOD's weight behind the ANA, the ANP program and so forth. I would say that that was what I sensed was his latent position. Others read him as being kind of light footprint, do the least possible, but I sensed he was more interested in helping Afghans build their own institutions than others perceived him to be. The argument (b)(3). (b)(6). (b)(7)(C) was that you want Afghans to defend and police their own territory and be aligned with us. For them to do that, they have to have a government. I called it a minimally decent government that had legitimacy so there were not people other than the extremists fighting it and that people would volunteer for their military. They needed an economy and a revenue system to, over time, make that more self-sustaining than it could be at this particular time. He [Rumsfeld] actually pushed that view Accelerating Success policy review in mid-2003. He was the dominant force at the principal level behind that.

### **Accelerating Success Timeline**





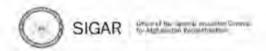


So it is approved there, but obviously you then have to get money. So there was contention with OMB about whether we can ask for money as part of the wartime supplemental or the two year budget process and obviously, as I always tell people, if we had gone through the two year budget process we would have needed to know about the need for Accelerating Success several months before 9/11. Eventually Accelerating Success is put in along with the Iraq request. I think it [the Iraq request] was about \$40 billion and so Accelerating Success was a small addition. [See here for request I think that goes to Congress in September 2003. Even before that, Zal was a special Envoy to Afghanistan and starts to execute, so right after the meeting with the President where he blesses Accelerating Success, Zal is on the phone and goes to see the Afghan senior leadership to lay out what we would like to work with them. They are gratified that we are stepping up our effort. Part of Accelerating Success states that it must be a joint action plans with the Afghans because they have to do some heavy lifting too in every domain.

Zal makes a trip in July 2003 to go over that, and then he is back in September 2003 and then October 2003. So on these trips, he is [working on many issues] and one issue was reform of MOD and we had gotten nowhere on that up until that time, Zal gets(b)(3), (b)(6), (b)(7)(6) to work with Eikenberry and reappoint the tier one appointees and then further down the line the tier two appointees. That is achieved at the July trip, So the reform of MOD takes place in September 2003 as I recall. So some of the political components that didn't require money Zal started to implement as part of his Special Envoy position. Meanwhile he is going through the process to be nominated and confirmed as Ambassador, which takes, I think the President asked him in June to be Ambassador and he gets confirmed, I think in early November. He arrives in Afghanistan on Thanksgiving Day in 2003. The money doesn't come into our accounts at the Embassy until about late December. Obviously, if you submit the supplemental in September, it has got to go through Congress, It gets approved, then they have to go borrow the money in capital markets and then treasury gets the money and you know the cascade of money getting to actual spending accounts. It actually gets to spendable accounts in late December/early January.

#### **Budgetary Cycles and Planning**

OMB is playing its role. It is the wider architecture that is the problem. In most of the Accelerating Success institution building is either civilian money or money overseen by the civilian side. INL even if someone else is spending it. The [building of the] ANA at that time was State money given to DOD to do things at the way it was set up way back. You are in that bizarre world for the two year budget cycle. The civilian side does not have the ability to spend O&M money on something and then go get it reimbursed, which is something DOD can do. So if you have to go



somewhere right now, you have sort of unrestricted operations money in the DOD money that allows you to do that until you get it replenished in the supplemental. So the civilian side not only at that time had no flexible operations money for anything on this scale, but it also wasn't clear that it had the authority to get serious money through the war supplemental, in that first year, they might have put millions of dollars (maybe in the tens of millions of dollars) might find their way into early supplemental on the civilian side, but not much more than that. So then you are really in a straitjacket, Civilians can't do anything since they don't have those two things the military does.

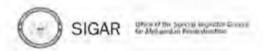
We haven't done something this ambitious since Vietnam and Korea, in terms of the scale of the undertaking that needed to be done on the state building side. We would go into Panama but would leave and Panama at least still had institutions from before we went in that didn't have to be rebuilt from scratch. We are generally not well set up. So OMB comes along and is essentially operating within the lines, it wasn't willing to help us think outside the lines...or color outside the lines...or re-draw the lines. Doy [Zakheim] might have had frustrations on the military side, I am sure it was nothing compared to the civilian side. Once it was clear that we could put significant money into the war supplementals then you have an improved situation but you still have problems with the legacies - we didn't have train/equip authority, we didn't have CERP yet. There are all sorts of things in the Foreign Assistance Act which impede progress. If you training the police and under the Foreign Assistance Act, you couldn't actually arm them, because of the old law and things that were done in Latin America in the 1950's. Once we were trying to build the police force. every police officer only had two bullets. There was inconsistencies that just came from past problems.

The biggest problem that I found, which may be an overstatement and I don't want to speak ill of anyone, but the U.S. government doesn't have any place that knows how to do this kind of planning in the comprehensive way that we came to in Korea or Vietnam. (00) (00) (00)

that we have a serious planning capability is a reach. We could conceptualize it, but to do the hard nitty gritty work of costing things and the like, we were at best estimating from folks on the ground. Then you go to CENTCOM and if you visit the planning folks over there, they have a few other things going on. It is not buildings full of people doing planning at CENTCOM and that point they had Iraq going as well. Their planning capability was severely taxed. AID does not have a planning capability. State does not have a planning capability(b)(3), (b)(6), (b)(7)(C)

One of the first things we did was to try and create a program tracking cell, the EPIG - the Embassy Interagency Planning Group. It was supposed to help Zal track the implementation of Accelerating Success but also plan next increments of it. All we could do is plan on an incremental basis. We could not come to a holistic view of what we needed to do over five years and [for example say] here are the 25 moving parts and here is what it will cost for each of the 25 parts. We tended to plan what we knew. We knew what needed to be done at a conceptual level and then, because implementation capability was uneven, we were always saying we don't ever want to ask for more than we can actually implement. We were working within that incremental planning mode rather than in a holistic planning mode.

It is not so much that [more people] gums up the work, because planning and operations are different. I am sure that those 6 people [at USAID] were probably all ops people. Essentially, you don't have planning.



This was all before S/CRS. Even when it was created, Armitage said that it will not work on Afghanistan or Iraq, which struck us downrange as shortsighted. We would have loved to have some disinterested planning capability to deploy against the problem set. In reading the books about the period, there is a sense that somehow, at that level of State, to become involved in it [in terms of using S/CRS capability in Iraq and Afghanistan] would be to take responsibility for it. If the resources weren't there, you were taking responsibility for something that won't succeed. I don't know if that is true, but that is what is hinted at in the books. Since the President had deployed former envoy to work on this, it seemed to be an administration priority, so therefore you would want to apply skills. I don't know if the capability has been created at State in a serious way or if there is a ground up state/nation-building program.

(b)(3), (b)(6), (b)(7)(C) The civilian mindset at State is not really good at defining the end state and then all the steps to get to the end state. The military is better at thinking that way. It is a project of the culture of poverty in civilian institutions assistance...they will never have the resources to produce an end state and don't think in those terms. The absence of that rapability and there is a great book by a young guy named Gregg Brazinsky on our South Koreau nation building effort - it is called Nation Building in South Korea. It says that we did very badly after WWII but before the Korean War, then after the Korean War, we were systematic in the rebuilding of institutions, the economy, their military and so forth,

The capacity to think through that is what we need. It is strategically important for two reasons: I = if you don't hit the ground and are able to start generating these effects of building institutions. quickly bad things set in. You see this with the criminal networks which take over, warlordism can take root at a deeper level than it would have otherwise, people's belief in the new political institutions wanes and the American people have a limited patience. They [the American people] will give you three years to work on the problem, but if you are not moving fast at three years, and the problems with progress inherent in that, they lose patience, Even in South Korea, Vietnam and other engagements, you have a certain amount of time and then the clock is against you. So if you want to reach success, we need the capacity to start generating effects in partnership with the locals, much sooner than we can under our current system. One of the impediments is the lack of planning capability and the other is the lack of standing forces for doing this. [2-] The military has standing forces, but the civilian side has no standing capability. It can mobilize contractors to do things, but even the mobilization of contractors creates a time lag and contractors can only do certain things.

Also, nothing works without funds. No standing forces and no ability to hit the ground and start generating effects early created negative dynamics in that you pay for it in a big way. If we had anticipated that Pakistan would have helped the Taliban as much as it did to escalate the war in 2005-2006, and if we had been smart enough to essentially adopt the Obama ANSF program, right from the outset, we would have precluded the ability of the Taliban to escalate. We would have reached the 352 [thousand] number by the time the Pakistanis were ready to escalate. That time lagof our recognition, mobilization, and then producing the ANSF that Afghanistan needed, puts you way behind the ball and helps the enemy in a huge way. It creates opportunities for the enemy that once they have escalate it is so much harder to overcome. These are strategic consequences to this. This is not just doing good or it would be nice to be able to operate better. You succeed or fail on whether you can do these things in a timely manner,



#### **Nation Building and Mixed Messages**

I agree on the mixed messaging [toward nation building at the outset] very much. I don't think that was ever overcome and that comes from the President as well. Sometimes he is talking about a Marshall Plan for Afghanistan and sometimes he is kind of validating his pre-government rhetoric about becoming involved in these sort of things. It [mixed messages] definitely hurts. If you look at the period, every budget submission, every supplemental, is building the amount that we are doing and I don't remember (between regular budget and supplementals) we are up to \$4-5 billion by closeout time there. The mixed message is debilitating in some ways, but the positive side of the mixed messages is also at work. Far better if we operated the way we did in South Korea after the Korean War. Everyone just understood that we have to stand up the South Korean institutions, their military, their police, their education institutions, and their economy. I also like to remind people that South Korea, by every social indicator was worse off after the Korean War, than the Afghans were after the Taliban. The devastation of the armies moving up and down the peninsula, plus the lapanese occupation previously, it was a comparable situation, but we were systematic in one, where we were mixed message in the other. The mixed message prevents you from being systematic, even if every year you are doing more and better things. The mixed messages hit the most because everyone had the mentality that we would be done in a year. Everyone was iust thinking in terms of what we could do in the short term or the short/medium term. No one was saying that it took South Korea 20 years to go from an absolutely devastated place to an Asian Tiger. There is no short cut. You have to work hard for those full 20 years, both the locals and their supporters. It is so inadequate what we are leaving in place.

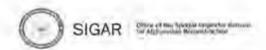
The mixed message was even worse under President Obama because he speaks with almost contempt of nation building. Everybody hears that. In our bureaucracy, they hear it. The Afghans, they hear it. People behave on the basis of it. The military hears it, they become more kinetic instead of the right blend between kinetic and not kinetic. This is not to say that lots of things weren't done well during the Obama period, but that rhetoric, I think very harmful.

#### **Warlord Strategy and Working with Karzai**

In the original briefing to Rumsfeld, there was a discussion of the need for a legitimate government. Warlordism was a mortal threat to the legitimacy of the regime that we were helping to establish for many reasons, including the abuse of the locals by the warlords. These were the very people that made the Taliban seem like a good alternative to Afghans in the mid-90's. So the Warlord Strategy is essentially to engineer a series of deals with the warlords in which they would agree to demobilize their private armies in exchange for some kind of political role in the government - provided they would operate by the rules of the new Afghanistan.

MOD reform is really the first implementation and important in and of itself. It is part of the warlord strategy as it is moving the MOD from being essentially one faction's MOD to start to reshape it into a national institution. [An institution in which] different regions and different political groups are represented in the senior leadership. As the reform went down through the ranks in terms of the different ranks of MOD, you're doing everything to create a national institution rather than a factional institution.

The next action was when Sherzai was moved from Kandahar to the Ministry of Urban Affairs in September. That essentially was the first one of these deals that was worked out. Then in October there was a crisis where all the Northern Alliance (if you include Dostum, who was always ambiguous about his inclusion in it). There was a sense that the warlords were essentially



conspiring against Karzai. And Zal went there for a trip. He [Zal] sat down with all the people [warlords] and said that if they were acting against the Bonn process that we can't work with you. He then negotiates the October Governance Agreement. Zal took all the heavy lifting items, such as Accelerating Success and DDR and had Khalili (the Vice President) mediate a negotiation which all the principal figures, including the Northern Alliance commanders agreed that this was the path to be taken. There would DDR, there would this, there would be that. That was all agreed in October and Zai uses that to push forward on dealing with DDR and separate political deals with other warlords.

The notion is that you are going to work on the warlords and the DDR while you are building up the capacities of the ANSF and the police. You don't want a vacuum, but bringing one down without the other coming up. The police program was one that could be carried out relatively fast based on the State Department's plan they put forward. In the course of 2004, I think that three quarters (of whatever the number was at that time) would be trained by mid to late 2004 with the 8 regional training centers that Dyncorp would setup and run with the MOI. I think the ANA would also reach like 15,000 by mid-Summer or early fall of 2004. The judgement was that, as that was getting to those levels, than DDR'ing militias would not leave a vacuum. That is the theory and I am sure it was not perfect in practice. You see a series of deals with folks in Jalahabad and in northern Afghanistan in the course of late spring and summer. Ismail Khan being the last one after the conflict with Amanullah Khan in the west. That was all part of the strategy on warlordism. People would critical in some sense for keeping these people in government. My view and I think Zal's view and the others in the Bush administration was that when they don't have their private armies that is good in and of itself. You can then deal with them if they continue to misbehave easier than if they did have their private armies.

The first level of DDR was for the cantonment of heavy weapons. These were really impressive heavy weapons stores. When they brought the Luna missiles through Kabul from the Panishir Valley. These were not scuds, they had Luna missiles. When you went up to see Dostum's cantonment area - these were serious armories of stuff. I think that people who diminish what was achieved in this phase are a little unfair. The elimination of private armies was an important political milestone to normalizing the country's politics. This is not the end point and if the government does not watch over these people they will not behave well.

One thing people underestimated in Afghanistan is how much these figures desperately wanted to be close to us and to be seen as close to us, Part of their power derived from that. That gave you enormous political influence to make demands of them. (b)(1) - 1.4(D)

They know that Afghanistan on its own is finished. (b)(1) - 1.4(D) Therefore, you had an ability to do things politically, that you didn't, for example, in Iraq. In Iraq, everyone preferred their local regional partners to us. In Afghanistan, everyone preferred us to the potential local supporter. The Warlord Strategy was premised on that influence relationship and the capacity to work step-by-step and never pushing change than could be achieved peacefully. In the course of 18 months, according to the UN reports, a lot was DDR'ed. A lot was also built up to avoid the vacuum by creating the ANSF. That was the theory.

In an ideal world, we would be able to in one fell swoop go from troublesome and negative political actors to positive wonderful civil society actors. The only way you could have done that would have



been with a very heavy footprint. The level of knowledge you need about a foreign society to carry off a heavy footprint without the friction of your presence alienating people would be very high. especially for a place as complex as Afghanistan. I think the ease with which people would make mistakes and be used by one local actor against another would be very high. To me, there was no ideal solution. The phased effort to me was the least bad option. It does have its downsides.

Again, the mixed message of it all is that after Zal's time there, no body polices the bad actors. We step back and say it is all up to the Afghans now. Karzai was a very effective person in proving the quality of Afghan political circumstance. When he had close working relationship and trust with us. We did do things like Sherzai, the October Governance Agreement, Dostum, Atta, and all these things with him. He took risks as long as we planned on how to cover those risks with him before we embarked on any of these courses of action. Once he is on his own and once, over time, trust is broken, between Karzai and us, he doesn't want to be out there on his own. (b)(1) - 1.4(D)

#### **Intelligence Agencies and Pakistan**

(b)(3), (b)(6), (b)(7)(C)

What you do find across all

cases, everywhere, that these post-conflict, post-civil wars is that there is an externality of completely pushing someone out is that they tend to create organize crime networks. You see that happening in Afghanistan as well. (b)(3), (b)(6), (b)(7)(C)We cleaned all the people out of the military and stuff but they just created organized crime networks with their old people. I tell people that it is not that you have an answer that you will have no problems with, you can choose though what problems you will have next. It will be a phased effort if you are going to help a country like that. It won't be one fell swoop. (b)(3)

(b)(1) - 1.4(D), (b)(3)

This will be a combination of things (b)(3), (b)(6), (b)(7)(C)When Musharraf gives us the ability to operate through Pakistan to knock down the Taliban regime, there is a view as it is said by all of the principals, that Musharraf and Pakistan are our most important ally in the War on Terror. Because of people's personal confidence in Musharraf and because of things he was continuing to do in helping police up a bunch of the al-Qaeda in Pakistan. There was a failure to perceive the double game that he starts to play by late 2002, early 2003. You are seeing the security incidents start to go up and it is out of the safe havens. I think that the Afghans and Karzai himself, are bringing this up constantly even in the earlier parts of 2002. They are meeting unsympathetic ears because of the belief that Pakistan was helping us so much on al-Qaeda. So to what degree is there a recognition of this and by which principals? It varies and you would have to go person by person, but there is never a full confronting of Pakistan in its role supporting the Taliban, Haqqani Group and Hekmatyar ever. (b)(3), (b)(6), (b)(7)(C)



# (b)(3), (b)(6), (b)(7)(C)

#### **Building an Army**

In Accelerating Success there is a component on the ANA. The argument at the time among the Afghans and us was about what the numbers needed to be. The people like (b)(1) - 1.4(D)were arguing that since we live in a tough neighborhood, the ANA has to be 200,00 in order for us to defend ourselves against the irregular and regular threats in our neighborhood and to deter them - you prefer not to fight. There were other Afghans like (b)(1) = 1.4(D) saying we can't afford a force of that size; those most we can afford is something like 50,000. The affordability versus the requirements to the neighborhood was the big argument at the time. The way it gets resolved is the way everything gets resolved in Washington - by not getting resolved. In Accelerating Success the goal is to build up to 70.000. At that time the force because it was under Fahim and no one was volunteering to join because it was a factional army. People were saying that as soon as we were in the neighborhood of 70,000 then we think about if you need more. The great thing about MOD reform was that we suddenly had volunteers than we could cope with.

Barno, and. I think, Major General Westin, rejiggered things and reallocated monies within what we had. We then asked for more in the next supplemental to pick up the pace of rebuilding. Even then, the long problem was not Afghans volunteering, but places to put them. We didn't have basing, barracks or all these kind of things. We were putting people in tents and so forth. The question of getting the program synched up to build quickly to 70,000 and then beyond takes most of 2004-2005 period. It is bumpy that way, but there is a recognition that we will look at the number again as we are building toward it. Ultimately, every time we get near the targets, it gets increased because the security situation warrants it. There is a third issue of quality and if you build too fast you build too fast will you lose the quality? All legitimate questions, but if we were well positioned to do this kind of thing, we would be able to build rapidly and with quality. On the military side, even with all their capabilities, all the organizations that do this sort of thing are ad hoc - there is no MINSTICKI (MINSTC-I) in a box, which you send and it folds and it starts training people. I always argued that a MINSTICKI in a box is just as important as having artillery. There should be standing forces that know the science and are ready

We have the ANA slide [in Accelerating Success] and there was another slide that dealt with the "strategy for the south and the east." We saw that there was an incipient insurgency there and Barno was going to shift us from counterterrorism posture to a counterinsurgency posture. So if you talk to him, he can take you chapter and verse. He arrived in October 2003 and before that we had most of our forces in Kandahar and Bagram. We would deploy on sort of equivalent modern day search and destroy missions looking for high value targets. When he [Barno] arrived he redeployed that capability to small firebases and PRTs in the contested areas to create relationships with locals and also to cooperate with the ANSF as they start to be trained and deployed to these areas. It was to create the locally deployed force that can work on securing contested territories. There was also a slide that softly addressed the Pakistan problem. It walked about the need for creating a regional conditions conducive to the stabilization of Afghanistan. That took recognition of the problem, but the challenge with us was in the interagency.

to deploy to train indigenous forces quickly.

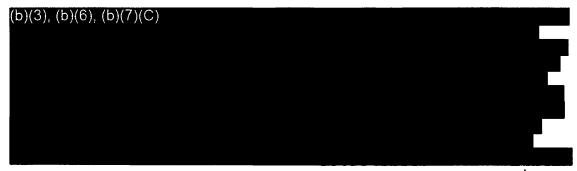


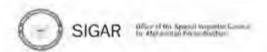
There was a different set of people that dealt with Afghanistan policy than dealt with Pakistan policy. So we couldn't dictate Pakistan policy in the Accelerating Success basket, but there was some work done in terms of an intelligence review of the Pakistan problem mid to late 2003 that documented the nature of the problem. Talk to General Vines. He and others who worked in Vietnam know what a sanctuary does to you. They, Vines and McNeill were aware of this problem and, I am sure through military channels, raising it. It was definitely part of the zeitgeist for people dealing with the Afghan policy in 2003, but we don't control Pakistan policy. The level of people fashioning Accelerating Success, we could only focus on Afghanistan. At the principal level there was a view on Pakistan and Musharraf specifically, that made it challenging to introduce the issue. When you are not even willing to raise an issue, you certainly have not exhausted your means.

# (b)(3), (b)(6), (b)(7)(C)

Probably the most important thing to do is undertake a mediation between Afghanistan and Pakistan to address their historic issues. At the end of the day that is what Pakistan's bad conduct is driven by and we never truly tried except a couple of trilateral meetings that were not very well prepared and didn't go very well. I don't think we ever took a run at that. [There were costs for Karzai]. If you told him that we understand the problem but we can't deal with it right now or that our priorities are al-Qaeda, he would understand it. I think a lot of the time we told him that there wasn't a problem when there obviously was and that undermines trust. I that that is true [that he felt abandoned] and that comes after Zal leave. Khalilzad had the ability to work with him on that problem in a way that [Ambassador Ronald] Neumann does not. The way to work with Karzai on a governance problem like that is to sit down with them and spend countless hours talking with him until there is a common understanding of the problem, then kick around ways to solve it politically without violence. One solution the entails him taking certain actions with risk, and us taking certain actions that covers those risks, then moving out on a collaborative course of action. You could enormous things with Karzai in these very difficult things, with far fewer resources than we had later. But if you are not will to engage in the collaborative problem solving and covering the risk of the enterprise, he is going to cut deals (b)(1) - 1.4(D)That is was takes place after Khalilzad redeploys to Iraq. The succeeding Ambassadors' line was that we would return to being a normal embassy. We were not a normal embassy in South Korea for a long time. Khalilzad had a line - as soon as it is a normal country, it will be a normal embassy.

#### 2006 Review





# (b)(3), (b)(6), (b)(7)(C)

### Civilian-Military Divide

The first thing that has to happen is downrange. When we operate in something like this, there needs to be unity of command, not unity of effort. So if it is a situation there is a lot of lead flying in the air, it makes sense for the general of whatever task force that is deployed to be in charge of both the military and civilian elements. So the ambassador would essentially be his chief political officer. He should be able to give orders to that chief political officer just as he would another subordinate. Similarly, if it is more a stabilization operations and there is not as much lead flying in the air, the military should be put under the ambassador as it nominally was in Vietnam since it was a military assistance command in Vietnam. It was technically under the ambassador. Our current system works if you are lucky and you get a Khalilzad and Barno or a Petraeus and Crocker, where for some reason they all agree on the priorities and work well together. They are in sync. That is basically luck. For every one of those you have a Bremmer and Sanchez, or Eikenberry and someone else. Unless you have unity of command, this kind of stuff doesn't work.

If you are operating on the scale of Afghanistan or Iraq, certainly a Syria, the train and equip thing is such a huge undertaking that only DOD can do it. DOD has a scale of operations, the logistics, the capacity to procure what you need to procure and all the rest. You need multiple orders of magnitude greater than a civilian agency. The only way a civilian agency can operate, even at a modest scale is through contractors. The management in Afghanistan, INL had, I think, two people in the embassy overseeing the Dyncorp regional training program. Loved the two people, they were great people, but it is just two people. Compared to what CSTC-A, you just are not in the same league. If it is the scale of rebuilding large forces from nothing, it has to be DOD because nobody else knows how to do it, DOD, in turn, has to have standing, skilled capability in that domain, It is equivalent of another combat arm. You wouldn't invent how to do infantry operations at the start of a war. You wouldn't invent how to do artillery at the start of a war. You have a skilled capability that train at it and there is a science to it. Similarly to building indigenous security forces, you need the science behind it and people who think about it 24/7 and who deploy and do it as well as our military does other combat operations. Right now, it is all ad hoc. There is no doctrine, no science to it. It gets done very unevenly. When you are creating security forces for another society, it is the most important political act you will ever do. That requires an awful lot of thought and sophistication to create a force that will support the political order rather than undermine it. If you are doing it ad hoc, sometimes you will have very smart political operators, primarily military, but other times you will not. What you can be doing can be counterproductive to the long term progress of society. Only DOD can do it, but DOD needs to see this as a core mission and to have dedicated force structure to undertake it.

I guess seeing INL operate, I think INL you can do if there is an existing police force and if you are doing light level training or capability enhancement, or liaison, that is within their capacities as an institution. Everything else would end up being done by Dyncorp anyway. Unless INL becomes a different organization (not a contracting organization), but an operation organization, I don't think you could ever give then the tasks of the scale you mentioned. It is hard to do this stuff.

There are ways to blend it. I remember in Afghanistan there was a year-long struggle over the question of if INL would stay in charge or if it would get shifted to CSTC-A (or whatever it was



called at the time). There was a man running INL, who was backed by Armitage. Rumsfeld wanted to take on the training of the police because he say the importance of the police. Barno and Zal had developed a supped-up program to take it to the next stage after having down the regional training centers. They wanted to do similar things like the reappointment of tiers of command in MOI like that had been done in MOD. They even went so far as to say that INL will be in CSTC-A, but the pinnacle of CSTC-A for this program will be an INL person. This means you will be in charge of it and give it the strategic and political direction if you are worried about our capacity to do that. We will give you DODs logistical, manpower capability to serve the training of the police. Even that was not good enough. It was only when Secretary Rice took over that the authority transfer took place. I think they still kept an INL person in the lead. If there is talent in INL for this kind of herculean task, there are ways to transplant it into a DOD structure if there is a unique civilian skill in knowing how to do this that has to be tapped. I don't think that since the U.S. government doesn't have a national police force, creating the people who can enable and lead this kind of a project is a task unto itself.

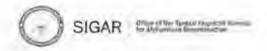
[Transferring authorities into DOD] is a question of scale. The president decides. [You tell the President] the context and ask if he would rather have the DOD doing this or State doing this. That is the kind of determination that the president should make with the NSC arguing it whichever way they want. There are some settings where State would be perfectly good, but in your Syria example, which started the conversation, there is no way but that DOD can do it [Syria] because it will be so chaotic and so violent. It will be so enormous a task that is unlikely to be built or done by any other organization. Again, if you have some absolutely brilliant leader in State - just appoint them over to lead whatever CSTC-A equivalent you create. The president can do that. The president can put a civilian in the military chain of command anywhere he wants. He doesn't need authorities to do that.

### **NSC Planning Function**

My general reading of history is that you can't protect a president against themselves. I am a huge fan of the Eisenhower NSC system. Even though their structure was more designed to think about long term strategic competitions, like the Cold War, there is no reason that an element of the strategic planning side this NSC couldn't be the repository of this kind of contingencybased lessons and choices. Essentially you are trying to give the president a decision assist tool. The consequential nature of not having it was evident in Libya. If the problem was that the Bush administration actions had inadequate thinking about the post-war circumstance, the Obama administration took it to having affirmatively no thinking about the post-war. That was a chosen course of action. Everything that happened in Libya was predictable based on the problems of Iraq, Afghanistan and Bosnia, Just having something at the NSC that says, "Sir, if you go down this path, this is what history tells us Libya will look like in 6 months, 1 year, 2 years...it will be Somalia." He can then reject that if he wants. It sure would be good if there was that - the Eisenhower strategic planning side of the NSC would confront the president with those choices. Reading history...you go to war with the president you have, not the president you wish you had. It shows how our system is designed to sewn in power to the civilian leader. You get the pluses and minuses of what that particular individual understands and doesn't understand.

#### **Afghan Reach Back Group**

There is a DOD thing and a State thing. We had a small embassy that was not big enough to do analytical work or to solve analytic problems. So we wanted a group created and composed of all the interagency people who work on Afghanistan all day, every day. The embassy



would be able to send back a problem that we were up against and ask for the group to work it and present some options or suggestions of a solution. It never worked that well. It became the equivalent of the PCC. It became an organization that served the deputies, rather than something that served the embassy (b)(3), (b)(6), (b)(7)(C)

for some solution to the problem that we were training the police, but we can't arm them or get them ammunition. that problem back to them in late 2003 and 6 months later, they came back and said there is no solution to this because of the Foreign Assistance Act. They were good people and tried to help us with the problems, but it didn't become that natural cooperative relationship where people in Washington could work Washington problems or do analysis of things or suggest how it was done elsewhere. It was supposed to support the embassy, When you are on the ground, as you all know, things are moving so fast and you can't keep up based on all the competing demands of the bureaucracy and they can only give you a fraction of their time because they have lots of meetings to attend to and the priorities of their principals to attend to. It [AIOG] was at best, a modest help. It. actually improved connectivity so there was probably a better understanding in Washington as a result of that connectivity, but it was not the reach-back support that was envisioned.

The DOD one, run by (b)(6), (b)(7)(C) participated in the AIOG, but it tried to help us on DOD problems and to help recruit for the Afghan Reconstruction Group and to get the ARG people through the State personnel system which not an easy task. They did help because they could solve DOD-based problems and they did help staff the ARG, [The group was] mainly high subject matter experts and if we were trying to work on infrastructure problems, construction, electricity - having people who have done that sort of thing in the private sector; people who knew more about it than those who were in government about stimulating private sector development. Those would be ARG people. One of the best people we ever had was a fellow from Treasury who work with the MOF on improving their systems and capabilities based on knowing how Treasury works. It was senior subject matter and functional expertise because when State staffs an embassy you have the Ambassador and DCM who will both be senior. The political counselor will be a step down then it is working level and often very young people and they can't give you that subject matter expertise. Same with USAID. You will often have very good mission director and then good next level folks, but then it gets very young, very soon. This gave you more senior expertise in the different domains.

There was one guy on Agriculture in all of USAID that was a senior agriculture expert at the time when we were thinking about agriculture, USAID used to be great in the 60's and 50's in these domains and had big league talent in some of these domains, but now it is assumed that you will get a contractor to bring expertise into the picture.

#### Foreign Assistance

We should rewrite it [the 1961 Foreign Assistance Act] from scratch. It is a completely barnacle encrusted thing. It is inconceivable that we couldn't do better today. I think that also, in the entire USAID domain of institution building and development, I would look toward CORDS model in Vietnam. Everything we do (a critique also made by Ghani) is create parallel structure and then hire away all the talent from the government for our contractors and NGOs and our other implementing partners because we pay them so much more. I think that there is a lot of truth to Ghani's critique so to me the answer is how could you do, in this kind of contingency, restructure ourselves so that we are actually supporting the creation of an Afghan institutions and firms. CORDS, historically was the best case of that. The parallel chains [of CORDS] and the ability to spend counterpart funds in kind. We had counterpart funds that were not treated



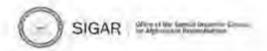
like tax payer dollars, because if you are going to spend taxpayer dollar in Afghanistan, all the accounting requirements that come with it make it impossible to do it through an Afghan institutions. If you have counterpart funds you can put them into Afghan institutions and if you have the parallel chain of command that CORDS had, they can have oversight in a direct way but not at the level of USAID accounting practices. By spending money through Afghan institutions with oversight, probably jointly working contract and bidding process with them too. We have put a western American talent into strategic planning and the procurement offices of ministries or provincial governments, which was easily doable through a CORDS structure, then you could get a high degree of accountable, but not western style/USAID accounting. It would be sufficient that you would be confident that you are not throwing money away. Yet, it would be Afghan institutions that would be doing these things and you would save an enormous amount of the 50% overhead that spend on western contractors and then the cascade of overhead rates that all their sub-contractors take to where you have almost nothing being spent on the ground in some cases. For these type of contingencies, redesigning it all through a CORDS-like mechanism is far preferable to our current system of parallel institutions and western contractors with their overhead rates.

The inventor of PRTs, Dan McNeil, served in CORDS. It is kind of an echo of them, but without the full system that made CORDS work. If you work at the 1971 National CORDS Strategy, everything that was done down to the district level for every district in Vietnam was specified in the plan. You had the capacity to implement the plan and oversee it because of the CORDS structure because of all the parallel offices that accompanied the program. Unless you put those things in place, you don't get the CORDS affect. Some of the PRTs were close to provincial governments, so in a limited way you kind of had that, but other times PRTs themselves were parallel to the provincial government. In the early years, it was more the latter than the former. Over time, there was a greater consciousness with working with the local government.

[The French operations in Indochina did not decimate the human capital, whereas in Afghanistan you didn't have that.] When you get down to the district and village level in Vietnam, you are essentially working with society. Just as PRTs went to a village they were working with society. The Afghan government begins and ends at the district level. There is nobody in the villages [from the government]. I think that if you were doing systematically, one of the first things you would put on the ground would be a capacity to start training district administrators. No one was ever that systematic. They either sort of generate on their own or they don't generate. How hard would it be to train 407 people [one for each district] in the early years just to get things happening? Everyone always argues unitary systems, not you need an entire system. The people who argue a unitary system was a mistake underestimate the problems of provinces and districts that have different ethnic or tribal groups in them. Whoever wins the election gets everything and the others feel downtrodden and the notion of the central government appointing someone of neither. Who had that training program? Nobody had it. Then you get the IDLG trying to find people to put down there [at the district level], but wouldn't it have been better if there was an ANA-like program for that?

We tried to work with Jalali when he got there to ramp it up but improving that side of MOI through the MOI reform that would have been the next stage of things, but it would have been better to have had that from day one, but we didn't.

**Private Sector Development** 



No, [we are not good at private sector development]. Yes, it was a post-Soviet country, but basically nothing from the Soviet period survived so I am not sure apart from that fertilizer plant up in Mazar, I don't remember seeing anything standing or some former state farms in Jalalabad. In a setting like this, it was very different from Saddam where you could have restarted a lot of things that existed. First, USAID doesn't even want to deal with private sector development. The one thing that we tried to get in Accelerating Success was an enterprising fund, but I think USAID conspired with their friends on the hill to kill it because they just don't like private sector development. We struggled to even have them do a contract with the Afghan Ministry of Public Works to pave a road so that we built local capacity in their road building world instead of just giving a contract to Berger that would give it to a Turkish firm and so forth. We don't have a structure that wants to do private sector development so it is very unlikely you will be able to do it. Their mindset is much more on like working on literacy or the thirty year development goals, which is good as we are for primary schools and I am glad for that. Afghanistan has certain potential sources of wealth - agriculture sector, regional trade, or the mineral sector, I always argued that we should work with Afghans to create sectoral development plans in these areas where they have historically, and by current analysis, a likelihood of being able to develop a thriving sector and exports. USAID has no notion of how to do that...maybe in the agriculture area, they will hire a contractor that will help people do better at their subsistence farming than they are doing now.(b)(3), (b)(6), (b)(7)(C)

Let's say you

look at Afghan agriculture and the soil and the climate here is ideal for high value added spice development, as it happens to be. Why don't we get McCormick to come over here and we will actually pay you to create the entire value chain for the spice subsector of Afghan agriculture. So you go teach the farmers how you grow these spices to be able to produce for world markets (quality, grading). Then you create some Afghan firms that will buy from the farmers and package and create the value added goods and all the way through the value chain to sending things to world markets. You [McCormick] will make money because you will be involved in this value chain at various parts, you may actually be the guy who gets it in the end. We will give you money to create the Afghan value chain because you know how to create a spice value chain and no one else does. USAID doesn't know it and DOD doesn't. You do it all over the world so come do it in Afghanistan. SO that creating the value chain, by having a private sector actor that is the world expert struck me as an appealing model, but that is not a model that works with USAID.

Similarly, we had to go to USGS to hire them to do the mineral survey. That was a State idea in Accelerating Success. (b)(6). (b)(7)(c) was the Afghan Coordinator at the time (for State). It was not USAID, it was State that brought that in, Barno volunteered the helicopters to fly the survey instruments around and an ARG expert who had been a deputy minister of mines and minerals in the pre-Soviet Afghan government, was involved in doing that as well. If I were going to develop the Afghan mineral sector, having the expertise of an American mines or minerals organization to create the value chain and help the Afghan firms get stood up and train their personnel. Otherwise, it essentiates luck. So that sort of private sector development - maybe we have done it sometimes, possibly the agriculture domain in the Ukraine. We just don't function that way in USAID. I am buge believer of Hernando de Soto that property rights are important and the way USAID does property rights doesn't work. It is very hard to do because all of the corrupt elites of the world know that keeping property rights out of the hands of normal people is a good way to maintain their dominance over them. De Soto was successful in Peru, but not helpful in helping people in other



countries cross the threshold of actually implementing the formalization process that worked in

You are absolutely right [that property rights is tied to inheritance and one must look at dominant schools of thought in each area to adjust the inheritance system appropriately and the added complication in the 25 years of horror the number of regimes that gave away the same land to different people or faked documents or transferred it from one person to another. When I talked to people who went to the property rights offices, there was no shortage of property rights documents just none of it agrees. If you are going to do private sector development, at some point it must be joined (with property rights) and resolved because that is what gets average people the confidence to be able economic actors above the wage labor effort. Nobody has an answer to that. The World Bank doesn't have an answer. USAID doesn't have an answer. It is not a criticism to say we can't do it, because no one else has succeeded either. If we were serious about private sector development, that would be one of the top 2 or 3 things to do. I am not a development expert, so I have always been struck how difficult it is to get any sort of financing going in these places. It is always so owned by an elite or the level of trust necessary to run finance is just not there. Being able to get capital to do economic things is extraordinarily difficult for anyone, but the people who control at the top politically. [Our sanctions against Hawalas] had second order affects. In Accelerating Success, there was a private sector development component and it was focused on building the ring road to get regional trade and transport. There was some agriculture in it. There was a USGS effort that we were going to build some industrial zones. There were probably two or three more things that are escaping my memory, but they were all things that were done other places or were relatively so that you could get something started. There is always a tension between the grand scheme that opens up a whole domain and building on something that will work, then you can build further on it. It is the Easterly argument. The grand scheme versus to build on what works. In infrastructure, we had a greater design - we were going to get the ring road built than disperse the ring road. The other places we wanted to just get something going in these domains and then we would get more ambitious over time. While we were working on Accelerating Success in Washington, there was a consciousness that we will do this, then we need to talk with Afghans and that will be job one when we get to Afghanistan. There was a high degree of consciousness that this was going to be a joint undertaking. In the next phases, everything undertaken was jointly developed because it can only work if you do that.

#### **Lesson Learned**

- 1. You need standing capabilities for both planning and in each of these domains so that you don't have to create them or have to operate on an ad hoc basis.
- 2. Funding issue you have to have operational funding that can be spent on day one and not just by the military but by the civilians.
- 3. All of this state and nation building, particularly in the security area has to be done with incredible attentiveness to the political consequences of every decision you are making. We often think it is a technocratic act, where it is actually a highly political act when helping to reconstitute a government.
- 4. There is no perfect or fast solution to problematic actors. Whichever course you take, whether to do deals with them or push them out, you have to ready to deal with the second order



- consequences. If you keep them in, you have to police them, if you push them out you have to be prepared to deal with the organized crime they will create. It is like a decision tree. We often stop at the first decision and assume it will be perfect. No you have to manage the second order question.
- 5. Across the Bush and Obama administrations there seems to be a belief that local political forces, given the opportunity to handle their own politics....just leave them to themselves and it will all be fine. We did well in the Bonn process. We did badly in the CPA. We did horrifically in Libya. The people that have gone through these horrific regimes, whether Saddam or the Taliban, are not going to be ready to seamlessly handle their own politics. They need a supporting handing like the Bonn process or the like. The local equivalent in each case. The probability that it will work out well [absent this support] is low.
- If you are going to do state building and rebuilding an economy in these kinds of context, it has to be systematic in a way that we have lost. We did some of the best state and nation building the world has ever seen after WWII and in the 50's, so it is not that it can't be done, but you have to be systematic about it and resource it.
- 7. Like Rumsfeld says, you have to enable them, the local societies to do it. You don't have to do it for them. It doesn't get done by itself.

### Follow-Up

- 1. Embassy Interagency Planning Group
- 2. Supplemental spending bills
- 3. Afghan Reach Back Group
- (b)(3), (b)(6), (b)(7)(C)
- 5. Khalilzad written statement submitted as part of confirmation hearing
- 6. October Governance Agreement